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The Treasury Note

A monthly newsletter of municipal finance
March 1, 2001

Public Works Board Bonds

The Treasury Note is proud to present the third in a continuing series of articles that will familiarize our readers with the types of bonds the State of California issues. Our last article, presented in the December issue of the *Treasury Note*, covered Veterans Affairs bonds.

Our third article focuses on bonds sold for the State Public Works Board (the Board). The purpose of these bonds is to finance a variety of capital projects authorized by the California State Legislature.

The passage of the State Building Construction Act of 1955 authorized the Board to issue Lease-Revenue Bonds (LRBs) to finance or refinance the cost of its projects. The issuance of LRBs was relatively small until the mid-1980s when the State began using them to bridge the gap between public infrastructure needs and waning general obligation authorization.

The State Public Works Board issues LRBs to fund the construction of a facility or the acquisition of equipment for a particular State agency. The participating State agency enters into an agreement leasing the facility or equipment from the Board. The rental payments are then used to pay the principal and interest on the LRBs.

California's next State Public Works Board sale will be a refunding scheduled for March 15. The refunding will take advantage of current economic conditions and save taxpayers money by lowering the debt service payments on current bonds.

If you are interested in purchasing these bonds, please contact your broker at least two weeks before the sale date. If you would like to know which firms are appointed to this sale and others, visit our website at: www.treasurer.ca.gov/Bonds/appointments/bondsale.htm or call *Investor Relations* at (800) 900-3873.

Recent Bond Sales

General Obligation Bonds

As of publication, the State was scheduled to sell \$998 million in general obligation bonds on February 27. Due to the publication schedule for *The Treasury Note*, more information was not available at the time of printing. For information about this bond sale, please visit our website at: www.treasurer.ca.gov or call *Investor Relations* at (800) 900-3873.

Underwriter Pools RFQ

Request for Statements of Qualifications (RFQs) for underwriter firms have been issued. The RFQs will be used to form the 2001-2003 pool for underwriter firms that will provide services to the State as well as various financing authorities.

Interested firms may obtain a copy of the RFQ from our web page at: www.treasurer.ca.gov/publications/publications.htm or call *Investor Relations* at (800) 900-3873.

Appointments for Upcoming Bond Sales

Department of Veterans Affairs General Obligation and Home Purchase Revenue Bonds

Senior Manager: Merrill Lynch & Co.

Co-Senior Manager: Bear, Stearns & Co. Inc. and Lehman Brothers

Co-Managers: Banc of America Securities LLC; Dain Rauscher, Inc.; Goldman Sachs & Co.; Great Pacific Securities, Inc.; J. P. Morgan Securities Inc.; Mischler Financial Group, Inc.; Pacific-American Securities, LLC; Roberts and Ryan Investments, Inc.; Salomon Smith Barney; and Sutro & Company

Lead Bond Counsel: Hawkins, Delafield & Wood

Disclosure Counsel: Quateman & Zidell LLP

Financial Advisor: Public Resources Advisory Group

Listing of Redemptions and Defeasances

This listing reflects redemptions and defeasances officially announced as of March 1, 2001.

Questions regarding redemption information can be directed to (800) 900-3873.

State Public Works Board of the State of California, High Technology Facilities Lease Revenue Bonds (The Regents of the University of California), 1986 Series A (Irvine Facility), Dated Date: April 1, 1986 (Partial Redemption). \$405,000 of the bonds due April 1, 2006 will be redeemed on April 1, 2001.

State Public Works Board of the State of California, High Technology Facilities Lease Revenue Bonds (The Regents of the University of California), 1986 Series A (San Diego Facility), Dated Date: April 1, 1986 (Partial Redemption). \$3,220,000 of the bonds due April 1, 2006 will be redeemed on April 1, 2001.

State of California Various Purpose General Obligation Bonds, Dated Date: March 1, 1994 (Partial Defeasance) \$28,460,000 of the bonds maturing on March 1, 2005 and March 1, 2006 will be redeemed on March 1, 2004.

State of California Various Purpose General Obligation Bonds, Dated Date: May 1, 1994 (Partial Defeasance) \$9,025,000 of the bonds maturing on May 1, 2005 will be redeemed on May 1, 2004.

State of California Various Purpose General Obligation Bonds, Dated Date: August 1, 1994 (Partial Defeasance) \$28,900,000 of the bonds maturing on August 1, 2005 and August 1, 2006 will be redeemed on August 1, 2004.

State of California Various Purpose General Obligation Bonds, Dated Date: October 1, 1995 (Partial Defeasance) \$23,700,000 of the bonds maturing on October 1, 2007, October 1, 2008 and October 1, 2011 will be redeemed on October 1, 2005.

State of California Various Purpose General Obligation Bonds, Dated Date: November 1, 1996 (Partial Defeasance) \$2,040,000 of the bonds maturing on June 1, 2012 will be redeemed on June 1, 2006.

State of California Various Purpose General Obligation Bonds, Dated Date: March 1, 1997 (Partial Defeasance) \$15,480,000 of the bonds maturing on October 1, 2007 and October 1, 2008 will be redeemed on October 1, 2006.

State of California Various Purpose General Obligation Bonds, Dated Date: September 1, 1999 (Partial Defeasance) \$12,900,000 of the bonds maturing on September 1, 2011 will be redeemed on September 1, 2009.

State of California Various Purpose General Obligation Bonds, Dated Date: October 1, 1999 (Partial Defeasance) \$1,320,000 of the bonds maturing on October 1, 2010 will be redeemed on October 1, 2009.

State of California Various Purpose General Obligation Bonds, Dated Date: December 1, 1999 (Partial Defeasance) \$24,190,000 of the bonds maturing on December 1, 2010 and December 1, 2011 will be redeemed on December 1, 2009.

Bond Sales Calendar*

If you are interested in purchasing any of these bonds, please contact your broker two weeks before the sale date. For updated information, check our website (www.treasurer.ca.gov) or call (800) 900-3873.

BOND SALES	AMOUNT	SALE DATE
Various Purpose General Obligation Bonds and General Obligation Refunding Bonds (Refunding Subject to Market Conditions)	\$600 million and \$398 million refunding	2/27/01
State Public Works Board Refunding	To be determined	3/15/01
Department of Veterans Affairs, General Obligation Bonds	To be determined	4/11/01
Department of Veterans Affairs, General Obligation Bonds	To be determined	6/6/01
Various Purpose General Obligation Bonds and General Obligation Refunding Bonds (Refunding Subject to Market Conditions)	\$500-750 Million**	6/12/01
State Public Works Board Lease Revenue Bonds	\$50 million	To be determined
Department of Water Resources Refunding Bonds	\$250 million	To be determined

*Subject to change without notice.

**Does not include possible refunding amounts.